

SENATE BILL No. 30

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3; IC 7.1-5-9-12.

Synopsis: Liquor and wine wholesaler permits. Allows a liquor wholesaler to transport and import liquor into Indiana from a warehouse located in another state if: (1) the liquor is kept and stored in the warehouse in accordance with the laws and rules of the other state; (2) the warehouse is owned or operated by the liquor wholesaler; and (3) the liquor kept or stored in the warehouse is transported or imported from the warehouse to the premises described in the liquor wholesaler's application and permit before it is delivered to an appropriate permittee or purchased by a bona fide regular employee. Allows a wine wholesaler to transport and import wine, brandy, or flavored malt beverage from a warehouse located in another state if: (1) the wine, brandy, or flavored malt beverage is kept or stored in the warehouse in accordance with the laws and rules of the other state; (2) the warehouse is owned or operated by the wine wholesaler; and (3) the wine, brandy, or flavored malt beverage is transported or imported from the warehouse to the premises described in the wine wholesaler's application and permit before it is delivered to an appropriate permittee, or applicable to wine, a bona fide regular employee. (Current law requires liquor, wine, brandy, and flavored malt beverage to be transported or imported from the primary source of supply.) Provides that the sale, transportation, and delivery of: (1) liquor by a liquor wholesaler; or (2) wine, brandy, or flavored malt beverage by a wine wholesaler; to applicable permittees may be made only from inventory that has been located on the wholesaler's premises before the time of delivery. (Current law requires that it be made before the time of invoicing and delivery.)

Effective: July 1, 2014.

Young R Michael

January 7, 2014, read first time and referred to Committee on Public Policy.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 30

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 7.1-3-8-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. ~~Premises Described~~
3 ~~in Application~~. The premises to be used by an applicant for a liquor
4 wholesaler's permit shall be described in the application for the permit
5 and in the permit if it is issued. **Except as provided in section 3 of this**
6 **chapter**, a liquor wholesaler shall not be entitled to keep or store liquor
7 at a place other than the premises described in the application and the
8 permit.
9 SECTION 2. IC 7.1-3-8-3, AS AMENDED BY P.L.109-2013,
10 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2014]: Sec. 3. (a) The holder of a liquor wholesaler's permit
12 shall be entitled to sell liquor at wholesale.
13 (b) A liquor wholesaler shall be entitled to purchase liquor within
14 this state from a person who holds an artisan distiller's permit, a
15 distiller's permit, a rectifier's permit, or a liquor wholesaler's permit. A
16 liquor wholesaler also may purchase liquor outside this state from the



primary source of supply. ~~and, from that source~~ **If a liquor wholesaler purchases liquor outside this state, the liquor wholesaler** may transport and import ~~the~~ liquor into this state **only from:**

(1) the primary source of supply; or

(2) a warehouse located in another state if all the following apply:

(A) The liquor is kept or stored in the warehouse in accordance with the laws and rules of the other state.

(B) The warehouse is owned or operated by the holder of the liquor wholesaler's permit.

(C) The liquor kept or stored in the warehouse is transported or imported from that warehouse to the premises described in the liquor wholesaler's application and permit under section 2 of this chapter before it is:

(i) delivered to a person who holds a permit described in subsection (c); or

(ii) purchased by a bona fide regular employee as described in subsection (d).

(c) A liquor wholesaler may sell, transport, and deliver liquor only to a person who, under this title, holds a:

(1) liquor retailer's permit;

(2) supplemental caterer's permit;

(3) liquor dealer's permit; or

(4) liquor wholesaler's permit.

The sale, transportation, and delivery of liquor shall be made only from inventory that has been located on the wholesaler's premises before the time of ~~invoicing~~ and delivery, and only in permissible containers and is subject to the rules of the commission fixing the quantity which may be sold or delivered at any one (1) time.

(d) A liquor wholesaler's bona fide regular employees may purchase liquor from the wholesaler in an amount not to exceed eighteen (18) liters.

SECTION 3. IC 7.1-3-13-2.5, AS AMENDED BY P.L.186-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.5. All premises to be used by an applicant for a wine wholesaler's permit must be described in the application for the permit and in the permit, if the permit is issued. **Except as provided in section 3 of this chapter,** a wine wholesaler may not keep or store wine at any place other than the premises described in the wine wholesaler's application and permit. A person who holds a wine wholesaler's permit and who also holds a beer wholesaler's permit is not disqualified from using multiple premises for the storage of wine



1 because the person holds a beer wholesaler's permit. The holder of a
 2 wine wholesaler's permit issued under IC 7.1-4-4.1-13(c) may enter
 3 into an agreement to:

- 4 (1) locate the wine wholesaler's business within the licensed
 5 premises of a farm winery or a farm winery brandy distiller; or
 6 (2) use goods and services provided by a farm winery or a farm
 7 winery brandy distiller;

8 or both.

9 SECTION 4. IC 7.1-3-13-3, AS AMENDED BY P.L.165-2006,
 10 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2014]: Sec. 3. (a) The holder of a wine wholesaler's permit
 12 may purchase ~~import, and transport~~ wine, brandy, or flavored malt
 13 beverage from the primary source of supply.

14 **(b) The holder of a wine wholesaler's permit may import and**
 15 **transport wine, brandy, or flavored malt beverage from:**

16 **(1) the primary source of supply; or**

17 **(2) a warehouse located in another state if all the following**
 18 **apply:**

19 **(A) The wine, brandy, or flavored malt beverage is kept or**
 20 **stored in the warehouse in accordance with the laws and**
 21 **rules of the other state.**

22 **(B) The warehouse is owned or operated by the holder of**
 23 **the wine wholesaler's permit.**

24 **(C) The:**

25 **(i) wine or flavored malt beverage is imported or**
 26 **transported from that warehouse to the premises**
 27 **described in the wine wholesaler's application and**
 28 **permit under section 2.5 of this chapter before it is**
 29 **delivered to a permittee described in subsection (d) or**
 30 **sold to a bona fide regular employee as described in**
 31 **subsection (f); or**

32 **(ii) brandy is imported or transported from that**
 33 **warehouse to the premises described in the wine**
 34 **wholesaler's application and permit under section 2.5 of**
 35 **this chapter before it is delivered to a person who holds**
 36 **a permit described in subsection (e).**

37 **(c) A wine wholesaler may export and transport wine, brandy, or**
 38 **flavored malt beverage by the bottle, barrel, cask, or other container, to**
 39 **points outside Indiana.**

40 **(d) A wine wholesaler is entitled to sell, furnish, and deliver wine**
 41 **or flavored malt beverage from inventory that has been located on the**
 42 **wholesaler's premises before the time of ~~invoicing~~ and delivery to a**



wine wholesaler, a wine retailer, a supplemental caterer, a temporary wine permittee, and a wine dealer, but not at retail.

(e) A wine wholesaler may sell, furnish, and deliver brandy from inventory that has been located on the wholesaler's premises before the time of ~~invoicing~~ and delivery, but not at retail, only to a person who holds a liquor retailer's permit, a supplemental caterer's permit, or a liquor dealer's permit.

(f) A holder of a wine wholesaler's permit may sell wine to the wine wholesaler's bona fide regular employees.

~~(b)~~ (g) As used in this section, "brandy" means:

(1) any alcoholic distillate described in 27 CFR 5.22(d) as in effect on January 1, 1983; or

(2) a beverage product that:

(A) is prepared from a liquid described in subdivision (1);

(B) is classified as a cordial or liqueur as defined in 27 CFR 5.22(h) as in effect on January 1, 1997; and

(C) meets the following requirements:

(i) At least sixty-six and two-thirds percent (66 2/3%) of the product's alcohol content is composed of a substance described in subdivision (1).

(ii) The product's label makes no reference to any distilled spirit other than brandy.

(iii) The product's alcohol content is not less than sixteen percent (16%) by volume or thirty-two (32) degrees proof.

(iv) The product contains dairy cream.

(v) The product's sugar, dextrose, or levulose content is at least twenty percent (20%) of the product's weight.

(vi) The product contains caramel coloring.

~~(e)~~ (h) Nothing in this section allows a wine wholesaler to sell, give, purchase, transport, or export beer (as defined in IC 7.1-1-3-6) unless the wine wholesaler also holds a beer wholesaler's permit under IC 7.1-3-3-1.

~~(d)~~ (i) A wine wholesaler that also holds a liquor wholesaler's permit under IC 7.1-3-8 may not:

(1) hold a beer wholesaler's permit under IC 7.1-3-3;

(2) possess, sell, or transport beer; or

(3) sell more than one million (1,000,000) gallons of flavored malt beverage during a calendar year.

SECTION 5. IC 7.1-5-9-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12. ~~Use of Another's Warehouse Prohibited.~~ **Except as provided in IC 7.1-3-8-3,** it is unlawful for a holder of a brewer's permit, beer or liquor wholesaler's



1 permit, or a beer or liquor retailer's permit, to own, operate, maintain
2 on ~~his~~ **the permit holder's** own account, patronize, use, or employ a
3 warehouse, storage, or depot, owned or operated by another person for
4 the storage or keeping of an alcoholic beverage except at the plant or
5 premises which is covered by ~~his~~ **the permit holder's** permit.

